INTERNATIONAL PEACE INSTITUTE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

LUTZ AND CARR
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
International Peace Institute, Inc.

We have audited the accompanying financial statements of International Peace Institute, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

LUTZ AND CARR
CERTIFIED PUBLIC ACCOUNTANTS, LLP

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Peace Institute, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 14 to the financial statements, in March 2020, the United States declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. As a result, International Peace Institute, Inc. has suspended some of its program activities at the direction of state and local governmental authorities. Our opinion is not modified with respect to this matter.

Lutz + Carr, LLP

New York, New York
November 12, 2021

INTERNATIONAL PEACE INSTITUTE, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

	2020	2019
Assets		
Cash and cash equivalents (Notes 1b and 12a)	$ 993,618	$ 2,347,315
Unconditional promises to give (Notes 1c and 4)		
Without donor restrictions	262,152	221,047
With donor restrictions	6,403,621	7,258,329
Accounts and other receivables	17,509	164,354
Prepaid expenses and other current assets	66,843	119,532
Investments (Notes 1d and 5)	914,585	911,878
Property and equipment, at cost, net of accumulated depreciation and amortization (Notes 1e and 7)	88,921	206,038
Security deposits	138,428	138,428
Total Assets	$8,885,677	$11,366,921
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities (Note 10c)	$1,192,380	$ 1,158,942
Loan payable - line of credit (Note 8)	496,027	-
Loan payable - Paycheck Protection Program (Note 9)	686,255	-
Total Liabilities	2,374,662	1,158,942
Commitments and Contingencies (Notes 10 and 14)		
Net Assets (Deficit)		
Without Donor Restrictions	(986,561)	1,475,257
With Donor Restrictions		
Subject to time and purpose (Note 3a)	6,639,909	7,875,055
Perpetual in nature (Notes 3b and 6)	857,667	857,667
Total With Donor Restrictions	7,497,576	8,732,722
Total Net Assets	6,511,015	10,207,979
Total Liabilities and Net Assets	$8,885,677	$11,366,921

See notes to financial statements.

INTERNATIONAL PEACE INSTITUTE, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Changes in Net Assets Without Donor Restrictions		
Revenue, Gains and Support		
Contributions (Note 12b)	$ 2,958,749	$ 4,108,989
Donated services and materials (Note 11)	-	35,358
Investment income (Note 5)	3,307	17,076
Gain (loss) on foreign currency exchange	2,065	(59,525)
Miscellaneous income	13,043	62,632
	2,977,164	4,164,530
Net assets released from restrictions		
Satisfaction of time and program restrictions	2,172,725	272,111
Total Revenue, Gains and Support	5,149,889	4,436,641
Expenses		
Program Services	6,047,242	8,513,853
Supporting Services		
General and administrative	659,454	665,364
Fundraising	905,011	934,730
Total Supporting Services	1,564,465	1,600,094
Total Expenses	7,611,707	10,113,947
Decrease in Net Assets Without Donor Restrictions	(2,461,818)	(5,677,306)
Changes in Net Assets With Donor Restrictions		
Contributions (Note 12b)	948,740	5,235,645
Net assets released from restrictions	(2,172,725)	(272,111)
Write-off of prior year grant	(11,161)	(10,000)
Reduction for unexpended project funding	-	(29,301)
Increase (Decrease) in Net Assets With Donor Restrictions	(1,235,146)	4,924,233
Decrease in net assets	(3,696,964)	(753,073)
Net assets, beginning of year	10,207,979	10,961,052
Net Assets, End of Year	$ 6,511,015	$10,207,979

See notes to financial statements.

INTERNATIONAL PEACE INSTITUTE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020					2019				
		Supporting Services					Supporting Services			
	Program Services	General and Administrative	Fundraising	Total	Total Expenses	Program Services	General and Administrative	Fundraising	Total	Total Expenses
Salaries	$2,861,482	$ 328,152	$ 454,988	$ 783,140	$3,644,622	$3,236,810	$ 325,445	$ 443,195	$ 768,640	$4,005,450
Payroll taxes	187,138	22,575	30,089	52,664	239,802	221,001	22,548	29,169	51,717	272,718
Employee benefits	713,415	76,688	115,719	192,407	905,822	816,000	78,784	112,957	191,741	1,007,741
Insurance	28,318	3,130	4,639	7,769	36,087	31,633	3,173	4,918	8,091	39,724
Office expense	426,833	42,407	63,571	105,978	532,811	392,999	37,175	56,128	93,303	486,302
Rent	770,935	95,344	119,818	215,162	986,097	832,314	71,745	102,802	174,547	1,006,861
Stationery and supplies	37,551	3,757	5,016	8,773	46,324	86,347	8,142	11,641	19,783	106,130
Printing and duplicating	58,430	2,558	4,350	6,908	65,338	282,708	15,107	26,171	41,278	323,986
Legal and audit fees	95,924	13,131	17,272	30,403	126,327	71,223	6,244	9,734	15,978	87,201
Travel, meals, lodging and events	159,416	18,305	21,456	39,761	199,177	958,781	30,516	59,620	90,136	1,048,917
Periodicals and subscriptions	14,080	582	1,914	2,496	16,576	17,224	969	2,252	3,221	20,445
Telephone and internet expenses	137,413	19,116	23,223	42,339	179,752	132,473	14,393	19,108	33,501	165,974
Donated services and materials (Note 11)	-	-	-	-	-	35,358	-	-	-	35,358
Freight	1,171	297	130	427	1,598	1,376	281	453	734	2,110
Honoraria/consulting/outside services	426,303	14,722	21,369	36,091	462,394	666,255	14,875	21,792	36,667	702,922
Future program partnership expense (Note 10c)	-	-	-	-	-	525,000	-	-	-	525,000
Miscellaneous	27,043	1,206	1,131	2,337	29,380	2,076	12,373	1,683	14,056	16,132
Total expenses before depreciation, amortization and interest expense	5,945,452	641,970	884,685	1,526,655	7,472,107	8,309,578	641,770	901,623	1,543,393	9,852,971
Depreciation and amortization	83,573	16,742	19,302	36,044	119,617	191,892	22,218	31,151	53,369	245,261
Interest expense	18,217	742	1,024	1,766	19,983	12,383	1,376	1,956	3,332	15,715
Total Expenses	$6,047,242	$ 659,454	$ 905,011	$1,564,465	$7,611,707	$8,513,853	$ 665,364	$ 934,730	$1,600,094	$10,113,947

See notes to financial statements.

INTERNATIONAL PEACE INSTITUTE, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash Flows From Operating Activities		
Decrease in net assets	$ (3,696,964)	$ (753,073)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	119,617	245,261
Realized and unrealized (gain) loss on investments	3,924	(3,892)
(Increase) decrease in:		
Unconditional promises to give	813,603	632,330
Accounts and other receivables	146,845	(135,795)
Prepaid expenses and other current assets	52,689	10,273
Increase in accounts payable and accrued liabilities	33,438	643,485
Net Cash Provided (Used) By Operating Activities	(2,526,848)	638,589
Cash Flows From Investing Activities		
Acquisition of property and equipment	(2,500)	(23,366)
Purchase of investments	(914,215)	(1,374,305)
Proceeds from sale of investments	907,584	2,362,098
Net Cash Provided (Used) By Investing Activities	(9,131)	964,427
Cash Flows From Financing Activities		
Proceeds from loans payable	500,000	500,000
Repayment of loans payable	(3,973)	(500,000)
Proceeds from loan payable - Paycheck Protection Program	686,255	-
Net Cash Provided By Financing Activities	1,182,282	-
Net increase (decrease) in cash and cash equivalents	(1,353,697)	1,603,016
Cash and cash equivalents, beginning of year	2,347,315	744,299
Cash and Cash Equivalents, End of Year	$ 993,618	$ 2,347,315
Supplemental Disclosure		
Interest paid	$ 19,983	$ 15,715

See notes to financial statements.

INTERNATIONAL PEACE INSTITUTE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization
The International Peace Institute, Inc. (the "Organization") is an independent, international not-for-profit think tank dedicated to managing risk and building resilience to promote peace, security, and sustainable development. To achieve its purpose, the Organization employs a mix of policy research, strategic analysis, publishing, and convening.

b - Cash and Cash Equivalents
For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents, except for cash managed by the Organization's investment managers as part of their long-term investment strategies.

c - Unconditional Promises to Give and Contributions
The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance, if necessary, is based on prior years' experience and management's analysis of specific promises made.

d - Investments
The Organization reflects investments at fair value in the statement of financial position. Interest, dividends, gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Investment income restricted by the donor is reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the income is recognized.

INTERNATIONAL PEACE INSTITUTE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

d - Investments (continued)
The value of the Organization's cash and cash equivalents, U.S. Treasury securities and certificates of deposit are based on quoted market prices in active markets and are, therefore, classified within Level 1 of the fair value hierarchy.

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances. Fair value measurements are categorized into three levels as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

e - Property and Equipment
Property and equipment are recorded at cost. Depreciation and amortization is provided on a straight-line basis over the estimated lives of the asset or term of the lease, whichever is shorter.

INTERNATIONAL PEACE INSTITUTE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

f - Financial Statement Presentation
The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions
Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

Net Assets With Donor Restrictions
Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

g - Estimates
The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

h - Functional Allocation of Expenses
The financial statements report certain categories of expenses that are attributable to more than one program and supporting departments. Therefore, these expenses require allocations on a reasonable basis that is consistently applied. These allocations of expenses are calculated based on the Full-Time Equivalency (FTE).

The Organization’s annual operating budgets are reviewed and revised on a quarterly basis. This is to ensure that all allocated expenses reflect accuracy throughout the year. The total FTE percentage of each program and department are used to allocate expenses, such as depreciation and amortization, office expenses, rent, stationery and supplies, printing and duplicating expenses, periodicals and subscriptions, telephone and internet, freight, and miscellaneous expenses.

i - Subsequent Events
The Organization has evaluated subsequent events through November 12, 2021, the date that the financial statements are considered available to be issued.

INTERNATIONAL PEACE INSTITUTE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

j - Tax Status
International Peace Institute, Inc. is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

Note 2 - Information Regarding Liquidity and Availability

The Organization operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of annual revenue is comprised of contribution revenue raised during the current year, and revenue from other sources earned during the year. The Organization considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those services.

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs, and has a policy to maintain liquid financial assets on an ongoing basis sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds, and other short-term investments.

The Organization's financial assets as of December 31, and those available within one year to meet cash needs for general expenditures within one year are summarized as follows:

	2020	2019
Financial assets at Year End:		
Cash and cash equivalents	$ 993,618	$ 2,347,315
Unconditional promises to give	6,665,773	7,479,376
Accounts and other receivables	17,509	164,354
Investments	914,585	911,878
Total Financial Assets	8,591,485	10,902,923
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(6,639,909)	(7,875,055)
Plus: Net assets with restrictions to be met in less than a year	5,265,403	5,051,295
Net assets with donor restrictions for endowment, subject to spending policy and appropriation	(857,667)	(857,667)
Financial Assets Available to Meet General Expenditures within One Year	$6,359,312	$ 7,221,496

INTERNATIONAL PEACE INSTITUTE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 2 - Information Regarding Liquidity and Availability (continued)

The Organization also has a revolving line of credit with JPMorgan Chase, as more fully described in Note 8, available to meet short-term or unanticipated liquidity needs.

Note 3 - Restrictions on Assets

a - Net Assets With Donor Restrictions - Subject to Time and Purpose Restriction
Net assets restricted for time and purpose are available for future periods and program activities.

b - Net Assets With Donor Restrictions - Perpetual in Nature
Net assets of a perpetual nature represent amounts specified by donors to be maintained as an endowment with the earnings used for operating purposes.

Note 4 - Unconditional Promises to Give

Unconditional promises to give are due as follows:

	2020			2019
	Without Donor Restrictions	Time and Purpose Restrictions	Total	Total
Due in less than one year	$262,152	$4,701,654	$4,963,806	$4,855,723
Due in one to five years	-	1,827,461	1,827,461	2,850,875
	262,152	6,529,115	6,791,267	7,706,598
Less: Discount to present value	-	(125,494)	(125,494)	(227,222)
Total, 2020	$262,152	$6,403,621	$6,665,773	
Total, 2019	$221,047	$7,258,329		$7,479,376

Uncollectible promises are expected to be insignificant. Unconditional promises to give due after one year are discounted to present value using a discount rate of 3%.

INTERNATIONAL PEACE INSTITUTE, INC.

NOTES TO FINANCIAL STATEMENTS

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Note 5 - Investments

Investments, which are all classified as Level 1 in the fair value hierarchy, consist of the following at December 31:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	$914,585	$914,585	$ 371	$ 371
U.S. Treasury securities	-	-	435,583	439,501
Certificates of deposit	-	-	472,000	472,006
Total	$914,585	$914,585	$907,954	$911,878

Investment income consisted of the following:

	2020	2019
Interest and dividends	$7,231	$13,184
Realized and unrealized gain (loss) on investments	(3,924)	3,892
Investment Income	$3,307	$17,076

Note 6 - Endowment Fund

The Organization's endowment consists of one donor-restricted fund established for operating purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Consistent with Minnesota General Law and the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), the Organization classifies as net assets for investment in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the endowment with donor restrictions that is not for investment in perpetuity is classified as endowment subject to spending policy and appropriation until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

INTERNATIONAL PEACE INSTITUTE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 6 - Endowment Fund (continued)

As of December 31, 2020 and 2019, the Organization's endowment fund composition, by type of fund and net asset classification, are summarized as follows:

	Without Donor Restrictions	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Donor-restricted endowment funds, 2020	$ -	$ -	$857,667	$857,667
Donor-restricted endowment funds, 2019	$ -	$ -	$857,667	$857,667

Changes in the Organization's endowment fund for the years ended December 31, 2020 and 2019 are summarized as follows:

	2020			
	Without Donor Restrictions	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Endowment fund, beginning of year	$ -	$ -	$857,667	$857,667
Investment income	6,141	-	-	6,141
Appropriation of endowment assets for expenditure	(6,141)	-	-	(6,141)
Endowment Fund, End of Year	$ -	$ -	$857,667	$857,667

	2019			
	Without Donor Restrictions	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Endowment fund, beginning of year	$ -	$ -	$857,667	$857,667
Investment income	11,115	-	-	11,115
Appropriation of endowment assets for expenditure	(11,115)	-	-	(11,115)
Endowment Fund, End of Year	$ -	$ -	$857,667	$857,667

Investment of the endowment is governed by the Organization’s investment policy for all invested funds. The primary objectives of this policy are the preservation of principal and purchasing power of financial assets and sufficient liquidity to meet anticipated and reasonable unanticipated operating needs. A secondary objective is the enhancement of purchasing power through investment returns, subject to prudent diversification of asset classes and individual investments, including no more than 50% of the portfolio invested in equities.

INTERNATIONAL PEACE INSTITUTE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 6 - Endowment Fund (continued)

The endowment is maintained in a dedicated account and observes a spending policy, whereby, the endowment's earnings are transferred periodically, but at least annually, to the Organization's operating account for use as unrestricted funds to support general operations or otherwise as needed.

Note 7 - Property and Equipment

Property and equipment consist of the following:

	Life	2020	2019
Leasehold improvements	Life of lease	$ 6,752,540	$ 6,752,540
Furniture and fixtures	7 years	1,326,700	1,324,200
Computers and equipment	3-5 years	1,504,970	1,504,970
Website	3 years	-	305,087
Automobiles	5 years	45,338	63,356
Leasing commissions	5 years	-	26,099
		9,629,548	9,976,252
Less: Accumulated depreciation and amortization		(9,540,627)	(9,770,214)
		$ 88,921	$ 206,038

During the year ended December 31, 2020, fully depreciated assets totaling $349,204 were written off.

Note 8 - Line of Credit

The Organization has a revolving line of credit with JPMorgan Chase Bank that provides for borrowings up to $500,000 through the maturity date of December 2, 2021. Borrowings on the line of credit bear interest at 5.10% plus the LIBOR rate. As of December 31, 2020, the Organization had outstanding borrowings of $496,027. There were no borrowings outstanding as of December 31, 2019.

INTERNATIONAL PEACE INSTITUTE, INC.

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Note 9 - Loan Payable - Paycheck Protection Program

In April 2020, the Organization received a loan totaling $686,255 under the Paycheck Protection Program administered by the U.S Small Business Administration. The loan bears interest at 1% per annum, is due in April 2022, and may be forgiven if the Organization meets certain employee retention requirements and the funds are used for eligible expenses. The full amount of this loan was subsequently forgiven in May 2021.

Note 10 - Commitments and Contingency

a - The Organization occupies office and meeting space under leases that expire April 30, 2024 and provide for rent to be a portion of the estimated building costs for the year. The monthly rent for 2021 under these leases has been set at $45,213.

The Organization entered into a lease for additional office space in Vienna that provides for monthly rent and operating costs of $8,792 and expires in June 30, 2025.

The Organization entered into a lease for additional office space in Vienna that provides for monthly rent and operating costs of $3,566 and extends for an indefinite term.

The Organization entered into a lease for additional office space in Bahrain that provides for monthly rent and operating costs of $12,263 and expires October 31, 2022.

b - The Organization sponsors a tax-deferred annuity program, whereby, the Organization contributes a percentage of an eligible employee’s salary, not to exceed statutory amounts. During 2020 and 2019, the contributions under this plan were $260,082 and $342,380, respectively.

c - Pursuant to a public statement by the Organization on Gratitude of America, LTD, and a decision by the Board of Directors on December 4, 2019, the Organization resolved to donate $525,000 to programs that support victims of human trafficking and sexual assault as a demonstration of its continued support for international peace, sustainable development, and human dignity. As a result, this amount has been included in accounts payable and accrued liabilities and in future program partnership expense in the accompanying financial statements as of December 31, 2020 and 2019.

d - Government supported projects are subject to audit by the granting agency.

INTERNATIONAL PEACE INSTITUTE, INC.

NOTES TO FINANCIAL STATEMENTS

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Note 11 - Donated Services and Materials

During 2019, the Organization received donated professional services and services in connection with seminars and workshops, including the use of conference facilities, participants' accommodations, reception costs and transportation. The aggregate value of these services was determined to be $35,358 and is included in the statement of activities. There were no donated services during 2020.

Note 12 - Concentrations

a - The Organization maintains its cash balances in financial institutions located in New York, New York. The cash balances, at times, exceeded federally insured limits. The Organization also maintains bank accounts in Vienna and Bahrain. There is no loss insurance on these accounts.

b - During the year ended December 31, 2020, the Organization received 51% of its total contributions from two foreign governments. During the year ended December 31, 2019, the Organization received 57% of its total contributions from two different foreign governments.

Note 13 - Related Party Transaction

The law firm in which a trustee of the Organization is a partner provided legal services for the years ended December 31, 2020 and 2019.

Note 14 - Risks and Uncertainties

In March 2020, the United States declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. As a result, the Organization has suspended some of its program activities at the direction of state and local governmental authorities. Management is continuing to evaluate the potential impact that the resulting economic uncertainties will have on the Organization's operations.

In April 2020, the Organization secured a $686,255 Payroll Protection Program loan from the Federal Government, which was subsequently forgiven in May 2021 (Note 9). In April 2021, the Organization secured a second Payroll Protection Program loan in the amount of $609,415.